

## **MDR Tracking Number: M4-03-6318-01**

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Division regarding a medical fee dispute between the requestor and the respondent named above.

This dispute was received on 04/28/03.

### **I. DISPUTE**

Whether there should be additional reimbursement for hospital admission for dates of service 05/17/02 through 05/21/02. Carrier denied services as "F-The charges for this hospitalization have been reduced based on the fee schedule allowance. The charge for this procedure exceeds the fee schedule or usual and customary values as established by Ingenix."

### **II. RATIONALE**

On the list of billed charges submitted by the requestor, the requestor billed one walker with wheels, in the amount of \$397.00 and one walker without wheels, in the amount of \$265.00 on the same date of service 05/17/02. There is no indication why the requestor billed two walkers. Therefore, since the walker with wheels can also be used without wheels, the billed charge in the amount of \$265.00, the walker without wheels, will be deducted from the total amount billed and stop-loss will be applied.

During the respondent's audit of the disputed services, the carrier reduced the charges for the implantables to usual and customary per Ingenix, paid 75% of the other charges and reimbursed the requestor a total of \$63,034.80.

Audit reductions are made per Rule 133.1, 133.301 and 134.401. Per Rule 134.401 (c)(6)(v), "Audited charges are those charges which remain after a bill review by the insurance carrier has been performed."

According to Rule 134.401 (b)(2)(A) all hospitals are required to bill usual and customary. The insurance carrier determined usual and customary. Requestor has not refuted insurance carriers determination of usual and customary per 133.304(K)(3). However, total of other charges were not challenged for usual and customary, but still total over \$40,000.00.

Rule 134.401(c)(6)(A)(i) states that to be eligible for stop-loss payment the total audited charges for a hospital admission must exceed \$40,000. The reimbursement for the entire audited admission shall be paid using a Stop-Loss Reimbursement Factor (SLRF) of 75%. The Stop-Loss Reimbursement Factor is multiplied by the total audited charges to determine the Workers Compensation Reimbursement Amount (WCRA) for the admission.

Rule 134.401(c)(6)(B) states the formula for calculating the appropriate reimbursement is:

Audited Charges x SLRF = WCRA.”

\$116,791.68	Total billed charges
<u>-36,390.46</u>	Proper audit reductions for implantables and walker w/o wheels
80,401.22	
<u>+10,935.54</u>	Payment made for implantables
91,336.76	Total audited charges
<u>x 75%</u>	SLRA
68,502.57	Total recommended reimbursement
<u>-63,034.80</u>	Payments made
\$5,467.77	Additional reimbursement recommended

### III. DECISION & ORDER

Based upon the review of the disputed healthcare services within this request, the Division has determined that the requestor **is** entitled to additional reimbursement for hospital admission of 05/17/02 through 05/21/02. Pursuant to Sections 402.042, 413.016, 413.031, and 413.019 the Division hereby ORDERS the Respondent to remit **\$5,467.77** plus all accrued interest due at the time of payment to the Requestor within 20 days receipt of this Order.

The above Findings, Decision and Order are hereby issued this 15th day of November 2004.

Michael Bucklin  
Medical Dispute Resolution Officer  
Medical Review Division

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